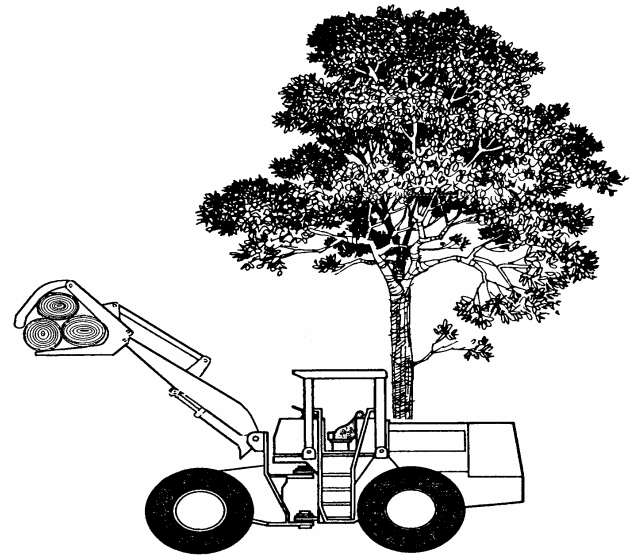


MISSOURI TIMBER PRICE TRENDS



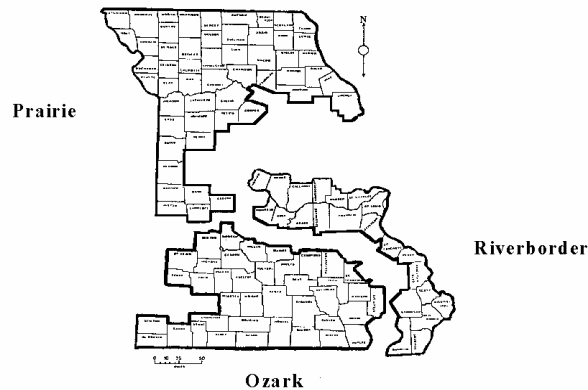
**Quarterly Market Report
Oct.-Dec., 2002
Vol. 12 No. 4**

Missouri Department of Conservation
P.O. Box 180
Jefferson City, MO 65102



Missouri Department of Conservation
Forestry Division, Research Unit

Price Reporting Regions



Missouri Timber Price Trends tracks market prices for Stumpage and Delivered Logs. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to standing timber sold on the stump and does not reflect delivered mill prices.

Reports on the Log Market give delivered log prices and are compiled from reports submitted by sawmills and other wood processing plants. These reports should serve as a **general** guide to track stumpage and delivered log prices. Landowners should not use this report to replace a timber inventory and marketing assistance when conducting a sale. Conservation Department foresters and consulting foresters will be able to provide information on, local market conditions. You can obtain a complete listing of foresters by contacting the Missouri Department of Conservation, Forestry Division at 573-751-4115, Extension 3308.

Details of all private sales and delivered prices are considered confidential.

Tree Scale Conversion Factors

Sawlogs - Veneer Logs	Int'l = Doyle x 1.2
Pulpwood Pine	5,200 lbs/cord
Hardwood (hard)	5,600 lbs/cord
Hardwood (soft)	4,200 lbs/cord

operating at less than 75% capacity. Increased demand for cross ties and a steady demand for pallet lumber, cants, and cut-stock are bright spots for these businesses. Competition for logs in the eastern Ozarks has been positively impacted by the sale of additional volume from federal lands in the past few months. However, the generally lower stumpage prices of the salvage sales are being offset by lower lumber yields resulting from red oak borer damage. Even the mills investing in new technology for increased lumber yields are not seeing the overrun percentages of the past. According to a few comments from mill owners in southern Missouri, lumber yield is often less than scaled volume in cases where red oak borer damage is extensive.

This situation places sawmill owners in a precarious position between landowners who are not motivated to sell timber when stumpage prices are low and the need to process greater volumes through their mills to maintain the same output of products. There are no simple or easy answers.

However, I detected a slight glimmer of optimism in many of the mill reports. One mill even wrote "business has never been better." We all like to hear that kind of comment. Hopefully, there will be more of them next quarter!

Shelby Jones, Editor

New Log Price Report Announced

The Missouri Dept. of Agriculture announced this month that it will begin reporting prices for selected log types delivered to Missouri sawmills for processing. The log price report will be an addition to the agricultural commodity reports currently compiled and distributed to broadcast and print media throughout the state. The report is the result of a recommendation of a committee of agribusiness leaders appointed by Governor Holden for the purpose of expanding and improving markets for Missouri agricultural products.

Market specialists from the Dept. of Agriculture will begin this month to collect price information from cooperating sawmills, stave mills, and other primary wood processors throughout the state. Initially, the log market report will focus on the Northeast region of the state and products from the types of timber being grown and processed in the area.

Missouri Agriculture Department Director, Lowell Mohler, says, "The addition of log prices to the existing commodity reporting system recognizes the importance of timber and wood products processing in our state's economy. We appreciate the assistance of the wood products industry in helping us compile this important information. Be watching for the log price report in your local newspaper or listen to the report on your local radio/TV station. For more information contact the Missouri Dept. of Agriculture at 573-522-3455.

Stumpage Markets

There were 55 Forester-reported timber sales in the Fourth Quarter. Walnut is the species getting the most attention. Asian export markets, especially China, are apparently fueling increased prices for both veneer and lumber logs. Some white oak logs are also going to that market at very attractive prices.

Prices for logs destined for domestic markets did not change much the past two quarters. Demand for tie quality logs increased resulting in higher stumpage prices of \$5-10 per MBF. Tie logs are generally larger than 13" diameter (inside bark, small end.), sound, and straight. Stave quality white oak timber prices remained fairly steady with no increase in demand noted. Other Below Grade log prices were significantly lower in the eastern Ozarks due to several factors: (1) large volumes of salvage logs entering the market, (2) general slowness in the economy, and (3) reduced lumber yields from red oak borer attacks. There are some optimistic signs that pallet markets are increasing slowly, but the other factors related to lower yields will probably keep the Below grade log market about where it is now well into 2003. If you are lucky enough to have timber that is not infected with red oak borers, you will probably be able to negotiate a better stumpage price on sales made in the next year. Only a few pine stumpage sales were reported with prices appearing to be significantly lower this quarter. Pine tie log prices were up slightly with slightly increasing demand.

In northern Missouri, soft maple stumpage prices increased modestly with good demand. Red oak grade logs continue to sell well throughout the state. White oak grade log prices were steady. Soft hardwood species, other than soft maple, (cottonwood, sycamore, river birch, hackberry, & elm.) prices were down slightly. Logging conditions in northern Missouri have been excellent, so mill log inventories are generally adequate. Thus, inclement weather will probably not generate much change in stumpage prices in northern Missouri for the remainder of the winter.

A positive note for north central Missouri landowners is the opening in February of a new stave mill in the New Bloomfield, IA area, north of Kirksville. This mill will purchase white oak stave logs from loggers in north central and northeast Mo. According to our information they will not be buying standing timber from individual landowners, but will only purchase logs brought to the mill

The snows in southern Missouri brought an end to the excellent logging conditions of the Fall, so log inventories at many smaller mills are low. Steady demand for logs through the remainder of the winter months is predicted. However, don't expect stumpage prices in the Ozarks to increase based upon weather conditions.

Log Markets

The majority of the sawmills reporting delivered log prices this quarter could be classified as small to medium sized mills. There is a noticeable slow-down in production in these mills. About one-fourth reported

Statewide Timber Stumpage Prices

	Oct.-Dec., 2002				
	High Price	Low Price	Avg. Price	Last Quarter	Last Year
Veneer					
Black Walnut	\$7,050	\$500	\$1,910	\$1,250	\$1,620
White oak	\$2,290	\$1,040	\$1,905	-	\$1,725
Sawlogs					
Ash	\$165	\$70	\$140	\$50	\$70
Black Walnut	\$1,000	\$250	\$620	\$420	\$535
Cherry	\$165	\$165	\$165	\$165	\$90
Cottonwood	\$65	\$65	\$65	\$55	\$80
Elm	\$65	\$65	\$65	-	\$55
Gum	\$145	\$145	\$145	\$75	-
Hackberry	\$125	\$100	\$100	\$50	\$60
Hard Maple	\$230	\$150	\$200	-	\$50
Hickory	\$210	\$55	\$120	\$90	\$75
Mixed Hardwoods	\$220	\$40	\$155	\$115	\$145
Oak (mixed)	\$215	\$50	\$145	\$110	\$175
Post Oak	\$225	\$85	\$125	\$100	\$105
Red oak (group)	\$335	\$105	\$190	\$185	\$150
S Yellow Pine	\$175	\$70	\$95	\$130	\$125
Soft Maple	\$250	\$165	\$245	\$125	\$235
Sycamore	\$125	\$60	\$70	\$65	\$120
White oak	\$310	\$105	\$170	\$155	\$170
Yellow Poplar	\$230	\$230	\$230	-	\$150
Stave Logs					
White oak	\$270	\$200	\$235	\$270	\$240

203 Reports

4,770 Int. - MBF Total Volume of Sales

Ozark Timber Stumpage Prices

	Oct.-Dec., 2002				
	High Price	Low Price	Avg. Price	Last Quarter	Last Year
Veneer					
Black Walnut	\$3,000	\$1,155	\$1,735	\$1,250	\$1,735
Sawlogs					
Black Walnut	\$1,000	\$300	\$700	\$375	\$450
Gum	\$145	\$145	\$145	\$75	-
Hickory	\$165	\$55	\$90	\$90	\$85
Mixed Hardwoods	\$140	\$40	\$75	\$130	\$190
Oak (mixed)	\$210	\$110	\$150	\$110	\$140
Post Oak	\$225	\$85	\$140	\$100	\$105
Red oak (group)	\$280	\$105	\$185	\$165	\$155
S Yellow Pine	\$175	\$70	\$95	\$130	\$125
White oak	\$250	\$105	\$130	\$140	\$110
Stave Logs					
White oak	\$270	\$265	\$265	\$270	\$235

91 Reports

3,316 Int. - MBF Total Volume of Sales

Prairie Timber Stumpage Prices

	Oct.-Dec., 2002				
	High Price	Low Price	Avg. Price	Last Quarter	Last Year
Veneer					
Black Walnut	\$2,820	\$500	\$2,035	\$1,380	\$1,480
White oak	\$1,040	\$1,040	\$1,040	-	\$1,765
Sawlogs					
Ash	\$165	\$70	\$140	\$50	\$70
Black Walnut	\$695	\$250	\$510	\$440	\$570
Cherry	\$165	\$165	\$165	-	\$40
Cottonwood	\$65	\$65	\$65	\$55	\$80
Elm	\$65	\$65	\$65	-	\$55
Hackberry	\$125	\$100	\$100	\$50	\$60
Hard Maple	\$215	\$150	\$165	-	\$50
Hickory	\$120	\$65	\$70	\$50	\$45
Mixed Hardwoods	\$215	\$45	\$55	\$60	\$50
Oak (mixed)	\$215	\$65	\$165	-	\$165
Post Oak	\$190	\$65	\$85	-	\$85
Red oak (group)	\$225	\$120	\$175	\$205	\$120
River Birch	\$65	\$65	\$65	\$50	-
Soft Maple	\$250	\$165	\$245	\$125	\$235
Sycamore	\$125	\$60	\$70	\$65	\$75
White oak	\$225	\$115	\$185	\$125	\$215
Stave Logs					
White oak	\$200	\$200	\$200	-	-
82 Reports		913 Int. - MBF Total Volume of Sales			

Riverborder Timber Stumpage Prices

	Oct.-Dec., 2002				
	High Price	Low Price	Avg. Price	Last Quarter	Last Year
Veneer					
Black Walnut	\$7,050	\$835	\$1,890	\$1,100	-
White oak	\$2,290	\$2,290	\$2,290	-	\$720
Sawlogs					
Black Walnut	\$370	\$370	\$370	\$405	\$585
Hard Maple	\$230	\$230	\$230	-	-
Hickory	\$210	\$210	\$210	-	-
Oak (mixed)	\$50	\$50	\$50	-	\$250
Post Oak	\$90	\$90	\$90	-	-
Red oak (group)	\$335	\$105	\$300	\$240	\$175
White oak	\$310	\$125	\$240	\$270	\$225
Yellow Poplar	\$230	\$230	\$230	-	\$150
Stave Logs					
White oak	\$240	\$240	\$240	-	\$250
30 Reports		540 Int. - MBF Total Volume of Sales			

Riverborder Delivered Log Prices Dollars per Thousand Board Foot, Int. 1/4" Scale Oct.-Dec., 2002

Veneer Species	High	Low	Average
Ash	\$335	\$335	\$335
Black Walnut	\$2,085	\$2,085	\$2,085
Cherry	\$1,665	\$1,665	\$1,665
Hard Maple	\$750	\$750	\$750
Red oak (group)	\$790	\$790	\$790
White oak (group)	\$1,665	\$1,665	\$1,665
1 Mill Reporting			
Stave Logs Species	High	Low	Average
White oak (group)	\$585	\$585	\$585
1 Mill Reporting			
Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$290	\$145	-
Black Walnut	\$585	\$335	-
Cherry	\$665	\$335	-
Hard Maple	\$500	\$335	-
Hickory	\$210	\$125	-
Post Oak	\$210	-	-
Red oak (group)	\$585	\$395	-
White oak (group)	\$500	\$335	-
1 Mill Reporting			
Below Grade Logs Species	Blocking	Pallet	Tie
Ash	-	\$135	\$190
Cherry	-	\$135	\$190
Cottonwood	-	\$135	-
Elm	-	\$150	\$215
Gum	-	\$150	\$215
Hackberry	-	\$150	\$215
Hard Maple	-	\$150	\$215
Hickory	-	\$150	\$215
Post Oak	-	\$150	\$215
Red oak (group)	-	\$150	\$215
White oak (group)	-	\$150	\$215
2 Mills Reporting			

Prairie Delivered Log Prices
Dollars per Thousand Board Foot, Int. 1/4" Scale
 Oct.-Dec., 2002

Veneer Species	High	Low	Average
Black Walnut	\$2,500	\$1,000	\$2,500
Cherry	\$1,250	\$1,250	\$1,250
Hard Maple	\$1,000	\$1,000	\$1,000
Pecan	\$335	\$335	\$335
Red oak (group)	\$1,000	\$1,000	\$1,000
White oak (group)	\$1,250	\$1,250	\$1,250

3 Mills Reporting

Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$415	\$250	\$165
Black Walnut	\$1,250	\$1,000	\$415
Cherry	\$415	\$250	-
Cottonwood	\$160	\$145	\$140
Eastern Redcedar	\$415	-	-
Elm	\$335	-	-
Hard Maple	\$500	\$335	\$165
Hickory	\$335	\$165	\$165
Pecan	\$250	\$165	-
Post Oak	\$165	-	-
Red oak (group)	\$405	\$350	\$300
Soft Maple	\$290	\$285	\$165
White oak (group)	\$625	\$375	\$210

6 Mills Reporting

Below Grade Logs Species	Blocking	Pallet	Tie
Ash	\$125	\$125	-
Cherry	-	\$125	-
Cottonwood	-	\$125	-
Elm	\$150	\$125	-
Gum	-	\$165	-
Hackberry	\$150	\$160	-
Hard Maple	\$150	\$125	-
Hickory	\$150	\$125	-
Pecan	\$125	\$150	-
Post Oak	\$150	\$125	-
Red oak (group)	\$150	\$125	\$250
S Yellow Pine	-	\$165	-
Soft Maple	\$125	\$160	-
White oak (group)	\$150	\$125	\$250

10 Mills Reporting

**Missouri
Log
Market
Report**



This section of **Missouri Timber Price Trends** is intended to provide information on delivered log prices and market conditions for loggers and mill operators. Landowners can benefit by tracking market conditions for the various wood products harvested from a tree.

The report details prices for **Grade Logs** by species and grade; and prices for **Below Grade Logs** by species and intended end use, such as blocking, pallet lumber or ties. All prices are based on the average mean within the grade standard or product line. Absolute maximums or minimums are not reported. All prices are based on a thousand board feet unit using the International 1/4" Log Scale. Log grades used in this report are based on the following **minimum** criteria:

	Grade 1	Grade 2	Grade 3
Minimum Diameter	13-15"	11"	8"
Minimum Log Length	10'	8'	8'

Statewide Delivered Log Prices
Dollars per Thousand Board Foot, Int. 1/4" Scale
 Oct.-Dec., 2002

Veneer Species	High	Low	Average
Black Walnut	\$2,500	\$1,000	\$2,500
Cherry	\$1,665	\$1,250	\$1,250
Hard Maple	\$1,000	\$750	\$1,000
Red oak (group)	\$1,000	\$790	\$1,000
White oak (group)	\$1,665	\$1,250	\$1,250

4 Mills Reporting

Stave Logs Species	High	Low	Average
White oak (group)	\$585	\$240	\$255

2 Mills Reporting

Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$415	\$250	\$165
Black Walnut	\$1,245	\$1,000	\$415
Cherry	\$415	\$250	\$185
Cottonwood	\$160	\$145	\$145
Eastern Redcedar	\$255	-	-
Elm	\$335	-	\$150
Hackberry	-	-	\$150
Hard Maple	\$500	\$335	\$165
Hickory	\$335	\$245	\$165
Pecan	\$250	\$165	-
Post Oak	\$195	\$180	\$140
Red oak (group)	\$370	\$310	\$265
S Yellow Pine	\$230	\$210	-
Soft Maple	\$280	\$265	\$170
White oak (group)	\$625	\$375	\$210

25 Mills Reporting

Below Grade Logs Species	Blocking	Pallet	Tie
Ash	\$125	\$125	\$210
Black Walnut	\$145	\$140	-
Cherry	\$145	\$125	-
Cottonwood	\$135	\$125	\$175
Elm	\$140	\$125	\$200
Gum	\$140	\$145	\$200
Hackberry	\$145	\$155	\$195
Hard Maple	\$140	\$125	\$210
Hickory	\$145	\$125	\$215
Pecan	\$125	\$135	\$190
Post Oak	\$145	\$125	\$215
Red oak (group)	\$145	\$125	\$225
S Yellow Pine	\$155	\$155	\$230
Soft Maple	\$140	\$155	\$240
White oak (group)	\$145	\$125	\$225

33 Mills Reporting

Ozark Delivered Log Prices
Dollars per Thousand Board Foot, Int. 1/4" Scale
 Oct.-Dec., 2002

Stave Logs Species	High	Low	Average
White oak (group)	\$240	\$240	\$240

1 Mill Reporting

Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$310	\$160	\$135
Black Walnut	\$425	\$335	\$225
Cherry	\$430	\$370	\$185
Cottonwood	-	-	\$150
Eastern Redcedar	\$210	-	-
Elm	-	-	\$150
Hackberry	-	-	\$150
Hard Maple	\$325	\$270	\$185
Hickory	\$335	\$250	\$135
Pecan	\$250	-	-
Post Oak	\$195	\$180	\$150
Red oak (group)	\$365	\$300	\$255
S Yellow Pine	\$230	\$210	-
Soft Maple	\$260	\$160	\$175
White oak (group)	\$330	\$270	\$225

18 Mills Reporting

Below Grade Logs Species	Blocking	Pallet	Tie
Ash	\$140	\$140	\$210
Black Walnut	\$145	\$140	-
Cherry	\$145	\$140	-
Cottonwood	\$135	\$135	\$175
Elm	\$140	\$135	\$200
Gum	\$140	\$140	\$200
Hackberry	\$140	\$135	\$195
Hard Maple	\$140	\$140	\$210
Hickory	\$140	\$145	\$215
Pecan	-	\$115	\$190
Post Oak	\$145	\$145	\$215
Red oak (group)	\$145	\$150	\$220
S Yellow Pine	\$155	\$155	\$230
Soft Maple	\$140	\$135	\$240
White oak (group)	\$145	\$145	\$220

21 Mills Reporting